

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 ICA-11  
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 /049 W  
-----008092 031817Z /50  
R 031429Z MAY 78  
FM AMEMBASSY BERN  
TO SECSTATE WASHDC 6203  
INFO AMEMBASSY BONN  
AMEMBASSY PARIS

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E O 11652: NA  
TAGS: ESTC, COCOM, SZ  
SUBJ: SWISS SEMI-CONDUCTOR MANUFACTURING EQUIPMENT TO EASTERN  
COUNTRIES

REF: STATE 70511

1. MAX KRELL, SWISS DEPT PUBLIC ECONOMY, DIV OF COMMERCE,  
INFORMED ROOT:

A) HE WOULD APPRECIATE MORE DETAILS ON TWO 1975  
CASES OF RE-EXPORT FROM SWITZERLAND OF US ORIGIN  
EQUIPMENT CITED PARA 2 REFTEL, IN PARTICULAR FIRM  
NAMES AND SWISS BLUE IMPORT CERTIFICATE NUMBERS  
WOULD HELP.

B) HE ANTICIPATED US WOULD CITE CASE(S) INVOLVING  
BLAZERS, NOTING A JULY 2, 1976 EMBASSY REQUEST FOR  
AN END-USE CHECK ON AN AMERICAN SHIPMENT. HE APPRECIATED  
US INFORMING SWISS OF BALZER'S RUSSIAN LANGUAGE  
BROCHURE ON ION IMPLANTATION EQUIPMENT; BUT BALZER  
INFORMED HIM THAT THEIR ONLY ACTUAL EXPORT TO EAST  
OF ION IMPLANTATION EQUIPMENT WAS FOR USE BY WESTINGHOUSE  
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IN POLAND.

C) US PARTS ARE SO INTEGRATED IN BALZER'S ION  
IMPLANTATION EQUIPMENT THAT GOS DOES NOT REGARD THEM  
AS SUBJECT TO SWISS ASSURANCE IN GENTLEMAN'S AGREEMENT  
(1951 LINDER HOTZ) NOT TO RE-EXPORT US ITEMS WITHOUT  
US LICENSE. BALZER'S HAD AN AGREEMENT IN 1973 AND

1974 WITH A US FIRM RE DESIGN OF THIS EQUIPMENT, BUT CURRENT VERSION IS REGARDED AS BALZER'S DESIGNED.

D) HELMUT SEIER OPERATION IS ON BORDER BETWEEN GERMANY AND SWITZERLAND WITH MANUFACTURING DONE IN GERMANY WITH US AND GERMAN PARTS AND ASSEMBLY IN SWITZERLAND. SEIER HAS NOT APPLIED FOR ANY EXPORT LICENSES. HE REGARDS SEIER AS MISUSING BORDER. OFF-RECORD, HE SUGGESTED IT MIGHT BE EASIER FOR GERMANY THAN FOR SWITZERLAND TO CONTROL ANY IRREGULARITIES. SEIER HAS BEEN AN "ALERT" NAME SINCE US EMBASSY APPROACH TO KRELI IN JUNE 1975.

E) HE SAW NO IMPROPRIETY IN REPUTABLE SWISS FIRM, FASELEC, SELLING MICROPROCESSORS TO ANOTHER SWISS FIRM, SEIER.

F) CENSOR IS NOT A MANUFACTURING FIRM. THIS FIRM DID ASK KRELL'S OFFICE ABOUT PROCEDURES FOR EXPORTING TO HUNGARY.

G) IN SWISS VIEW, NEITHER BALZER'S ION IMPLANTATION EQUIPMENT NOR WIRE BONDING MACHINES PRODUCED BY HELMUT SEIER ARE EMBARGOED BY COCOM. HE RECALLED EARLIER EXPLICIT COCOM EMBARGO OF ION IMPLANTATION EQUIPMENT, BUT COULD FIND NO SUCH ENTRY IN COCOM 1976 LIMITED OFFICIAL USE

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LIST. HE NOTES GENERAL REFERENCE TO BONDING AND WELDING EQUIPMENT IN ITEM 1355, BUT BELIEVES MORE SPECIFIC WORDING NECESSARY TO CLARIFY EMBARGO COVERAGE OF WIRE BONDING MACHINES.

2. EMBASSY RECOMMENDS WE PROVIDE KRELL:

A) MORE DETAILS ON 1975 RE-EXPORTS OF US ORIGIN EQUIPMENT CITED PARA 2 REFTTEL.

B) ANY EVIDENCE OF BALZER EXPORTS TO EAST OF ION IMPLANTATION EQUIPMENT BEYOND POLISH WESTINGHOUSE CASE.

C) REBUTTAL, IF ANY, TO SWISS VIEW THAT US PARTS LOOSE THEIR IDENTITY IF INTEGRATED IN OTHER EQUIPMENT, E.G., BALZER AND SEIER EQUIPMENT.

D) US VIEW ON CURRENT COCOM EMBARGO STATUS OF BALZER ION IMPLANTATION EQUIPMENT AND SEIER BONDERS, TO EXTENT IT DIFFERS FROM SWISS VIEW.

3. EMBASSY CONCURS IN KRELL JUDGMENT THAT ANY US EFFORT

TO CONTROL SEIER IRREGULARITIES MORE LIKELY TO BE  
EFFECTIVE WORKING WITH GERMANY BECAUSE GERMANY IS A  
COCOM MEMBER, IS THE LOCATION OF THE MANUFACTURING  
OPERATION AND IS THE SOURCE FOR SOME OF THE  
PARTS. CROWLEY

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NONALIGNED NATIONS, STRATEGIC TRADE CONTROLS, SEMICONDUCTOR DEVICES, REEXPORTS  
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**Draft Date:** 03 may 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Review Markings:**  
Sheryl P. Walter  
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